



DEPARTMENT OF DEFENSE

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Office of the Secretary

TRICARE; Implementation of TRICARE Transitional Outpatient Payments

AGENCY: Department of Defense (DoD).

ACTION: Notice of TRICARE Transitional Outpatient Payments (TTOPs)

SUMMARY: This notice informs hospitals of TRICARE's Transitional Outpatient Payments (TTOPs) under TRICARE's Outpatient Prospective Payment System (OPPS).

DATES: The TTOPs are effective January 1, 2010.

ADDRESSES: TRICARE Management Activity (TMA), Medical Benefits and Reimbursement Branch, 16401 East Centretch Parkway, Aurora, CO 80011-9066.

FOR FURTHER INFORMATION CONTACT: Ms. Martha M. Maxey, TMA, Medical Benefits and Reimbursement Branch, telephone (303) 676-3627.

SUPPLEMENTARY INFORMATION: With implementation of the Medicare OPPS, certain hospitals were eligible to receive additional transitional outpatient payments (TOPS) if the payments they received under the OPPS were less than the payments they could have received for the same services under the payment system in effect before the OPPS. Medicare refers to these transitional payments as hold harmless TOPs and they applied to small rural hospitals with 100 or fewer beds and rural Sole Community Hospitals (SCHs) with 100 or fewer beds.

TRICARE's OPPS Final Rule, published in the *Federal Register* (73 FR 74945) on December 10, 2008, states Agency will adopt the hold harmless TOPs for rural hospitals having 100 or fewer beds and SCHs. Medicare's hold harmless TOPs was scheduled to expire January 1, 2010. TRICARE delayed implementation of its OPPS for small rural hospitals with 100 or fewer beds and rural SCHs with 100 or fewer beds until January 1, 2010, with the expectation that the Medicare TOPs would expire, negating the need to implement the TRICARE TOPs provision. The Patient Protection and Affordable Care Act (PPACA) extended the hold harmless provision under Medicare, beyond January 1, 2010; therefore TRICARE will need to implement TOPS as of January 1, 2010. The PPACA also expanded the hold harmless provision to all SCHs. TTOPs will be made to qualifying hospitals that have OPPS costs that are greater than their TRICARE allowed amounts using a method similar to Medicare. TRICARE will pay an amount equal to 85 percent of the difference between the estimated OPPS costs and the OPPS payment.

The process for determining the TTOPs will be outlined in a future revision to the TRICARE Reimbursement Manual. The TRICARE Reimbursement Manual is available at <http://manuals.tricare.osd.mil/>

DATED: June 20, 2012.

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